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DDA Registry

85-0122/8

25 FEB 1985

MEMORANDUM FOR: Executive Director

FROM: Harry E. Fitzwater
Deputy Director for Administration

SUBJECT: Off-Site Computer Center Planning

REFERENCE: A. Note for DDA fm EXDIR, dtd 7 Jan 85
B. Attachment to above note, dtd 2 Jan 85,
Same Subject

STAT I have attached a memorandum from [] which addresses the
referenced Creative Problem-Solving Item on Off-Site Computer Center
STAT Planning. [] briefing on Tuesday, 26 February 1985 should
further enlighten us on this subject.

STAT []
Harry E. Fitzwater

Attachment

STAT [] 13Feb85)

Orig - Adse
1 - DDA Chrono
1 - DDA Subject
1 - DDA/MS Subject
1 - DDA/MS Chrono

DDA Registry
85-0122/7

MEMORANDUM FOR: Harry E. Fitzwater
Deputy Director for Administration

FROM: Chairman
CIA Computer Study Panel

SUBJECT: Off-Site Computer Center Planning

REFERENCE: A. Note for DDA fm EXDIR, dtd 7 Jan 85
B. Attachment to above note, dtd 2 Jan 85,
Same Subject

1. In response to the Executive Director's note (Reference A), I have examined the proposal contained in Reference B in the light of the discussions, findings, and recommendations of the Study Panel which I chair.

2. Before commenting on Reference B, I would like to briefly summarize some of the highlights of the Panel's report, which is now completed. The Panel examined a number of space options for preventing displacement of people in the Headquarters by computers. All of those options involved establishment of a separate computer facility whereby computers would not be competing with people for space. The options studied included moving all ODP computers to a separate computer center located at any one of four remote sites or at a site on the Langley compound (as proposed in Reference B). Other options involved dividing ODP operations with some services provided by a computer center located in the new Headquarters addition and other services provided by a separate center located at any one of the five sites mentioned above. After studying these options, the Panel recommended dividing ODP operations between two centers. One would be a 100,000 sq.ft. center in the new Headquarters addition, and the other a 50,000 sq.ft. center, plus support space, located in the nearby Virginia/Maryland area. The 100,000 sq.ft. center in the new Headquarters addition would provide communications-intensive services to its user population and would not be permitted to grow beyond this fixed ceiling. The remote 50,000 sq.ft. center would provide services that are less communications intensive (such as Community and Development), provide a spillover file storage capability for the Headquarters center, and be designed for expandability for future growth.

3. The Panel rejected the idea of relocating all ODP services to a new center located on the Langley compound (as proposed in Reference B). While the Langley location offers many advantages—particularly low cost, reliable communications, and a good inplace security infrastructure—the Panel felt that the following considerations overrode those advantages.

a. Local community opposition to additional construction at Langley might indefinitely delay construction of the separate computer building on the Langley site. With a pressing need to obtain additional space by 1992, this presented an unacceptable uncertainty.

b. A single-site operation (Langley) would not provide many of the important and much needed survivability and reliability benefits of a divided operation (some computer services at Langley and some at a remote site).

c. The failure to use the TEMPEST computer-grade space in the new addition for the purpose intended, could not be justified from a cost/effectiveness point of view.

4. If, in the judgement of Agency management, these concerns are not as important as the Panel views them, the proposal made in Reference B should be adopted. It is reasonable and would overcome some of the risks associated with other options.

5. The author of this problem-solving idea is to be commended for his concern and his thoughtful comments.



Chairman

75-0122/4

ROUTING AND TRANSMITTAL SLIP		Date
		2/8/85
TO: (Name, office symbol, room number, building, Agency/Post)		Initials Date
1.	D/SECURITY	
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Action	File	Note and Return
Approval	For Clearance	Per Conversation
As Requested	For Correction	Prepare Reply
Circulate	For Your Information	See Me
Comment	Investigate	Signature
Coordination	Justify	

REMARKS

#1 - FOR ACTION

(PLS PROVIDE INFORMAL ORAL OR WRITTEN
COMMENTS TO THE DDA BY 22 FEBRUARY 1985.)

10-1

DO NOT use this form as a RECORD of approvals, concurrences, disposals, clearances, and similar actions

FROM: (Name, office symbol, room number, building, Agency/Post)	Room No.—Bldg.
TO: (Name, office symbol, room number, building, Agency/Post)	Phone No.
BY: (Name, office symbol, room number, building, Agency/Post)	

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Central Intelligence Agency
Washington, D.C. 20505

17 January 1985

Executive Director

STAT

NOTE FOR:

[Redacted]

C/CCIS

FROM:

EA/ExDir

As you probably know, the DCI has asked for creative suggestions for solving problems. Attached is a memo proposing that the DCI establish a group which would attempt to extract information from USG facilities. Your comments would be helpful for the Executive Director's use in preparation of a response to this suggestion.

STAT

[Redacted]

Attachments *

* copy of suggestion +
copy of dcis memo re CPS.

Page Denied

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Jacques S. C.

Defense Spending: How About Some Real Competition?

The Pentagon should get "more bang for the buck"; and most agree that "more competition" is a good way to do it. However, there is a right and a wrong form of competition; and the Defense Department uses the wrong one.

The argument runs like this: the president and Congress decide to increase the quantities of the XYZ missile. But, as with almost all defense products, only one company currently builds this missile. It would take time and money to set up another firm, so the government simply increases its order from the existing source. This firm will accept the order, but it will explain why prices must go up (inflation, skilled labor shortages, insufficient parts suppliers, technical changes to the missile, higher costs of materials, increased employee benefits programs, etc.) Simultaneously, it will extend delivery times—the firm would rather build up its order backlog than go out and spend extra money for new production machines.

As demand increases, supply should expand and prices fall. But such economic theory only applies in the civilian world, where competition exists. In the defense world, with only one supplier, the government is forced to "negotiate" and attempt to "regulate" that supplier. The answer seems obvious: the Defense Department should create alternate production sources, thus allowing competition to drive down prices and improve product quality.

Interestingly, when this "dual-sourcing" approach was tried in the past, the average cost of

the military goods procured was approximately 30 percent less, and the reliability of the systems significantly improved. Such cases clearly demonstrate that the benefits of continuous competition more than justify the added costs of setting up a second source and the production of fewer units in each of the two factories.

In recent years, the only Navy fighting ships that were multiple-sourced, the Patrol Frigates (FFG)—built in Bath, Maine; San Pedro, Calif.; and Seattle, Wash.—proved the point again. Still more dramatic savings and quality improvements have occurred on larger-quantity, dual-source procurements of sophisticated munitions, electronics equipment and full missile systems.

Even with the increased attention being paid by Congress and the executive branch to "ineffective government procurement practices" and to "the deteriorating defense industrial base," the same sole-source procurement practices continue. For example: after an extremely successful, dual-source development of the cruise missile, the government awarded sole-source contracts to Boeing to build the air-launched version (for the Air Force), and to General Dynamics to build the ground-launched version (for the Army) and the ship-launched version (for the Navy). Independent studies indicated the potential for hundreds of millions—if not billions—of dollars of net savings if both firms had been awarded contracts to produce all three versions.

Instead, a winner-take-all "auction" for the award of the air-launched version was held.

This one-time competition is referred to in the industry as "you bet your company." Each firm is required to bid unrealistically low ("buy-in"), since the whole issue is winning. Only large, multi-billion dollar firms can afford to play this game. History has shown that such an "auction" leads inevitably to future program cost growths. The winner—once he is the only supplier—begins to encourage technical or program changes (usually thousands of these changes occur annually on a large military procurement), thus allowing him to price these changes on a noncompetitive basis and thereby to recover his "buy-in" losses. It's called the "get well" program—for obvious reasons.

Unfortunately, this "form" of one-time-only competition is the normal mode of defense procurement. Interestingly, when defense officials testify about the amount of competition in defense procurements, they list programs originally awarded in this fashion in the "competitively awarded" category. The reality is that there once was a competition held for that product—years ago—but since then all orders have been placed only with the winning firm.

The critically important distinction is the difference between competition for an award with subsequent sole-source production, and competition during the life of the program through dual-sourcing. The latter is the civilian approach, while the former is the Defense Department form—and a principal cause of the inefficiencies, overruns and other prob-

lems that exist in defense procurements today.

Yet, the rising cry of "more competition in defense procurements" is being met with more and more "auctions." Worse yet, since the large number of defense contracts are for small dollar amounts—that is, engineering analyses—the government holds auctions for these so the "scorecard" looks better—even though the competitions often cost more than they save.

In the 1982 budget cycle, Sen. Sam Nunn introduced a bill to require dual-sourcing on the Army's Infantry Fighting Vehicle, and proposed to add the necessary start-up money for the second source. But the current contractor, who has been the only supplier of this vehicle for over 20 years, successfully lobbied with the Army and Congress, and the program is likely to remain with that same supplier for another 20 years—in spite of the large price increases that have recently been reported.

There is no problem in identifying defense programs to which the dual-sourcing concept should be applied. However, the two problems—that takes a few more dollars on the "front end," and that "it's not the way the government has always done things"—are high barriers. They take courage and initiative to overcome. But the historic data are clear—costs go down and quality goes up when real competition is used.

The writer is a former deputy assistant secretary of defense.

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Central Intelligence Agency
Washington, D.C. 20505

7 January 1985

Executive Director

DDA Registry

85-0122

NOTE FOR: DDA

Attached is a set of ideas stimulated by the DCI's Creative Problem Solving memo. Number 1 seems like a non-starter but I'd like you to:

- Have OTE determine the facts with regard to the cassette recorder and take steps, as suggested or other as appropriate, if there is a problem.
- Have the appropriate people implement items 3 and 4.



We're around the mail with the incident involved.

DCI
EXEC
REG

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REFERENCE MATERIAL
AND RESPONSES
TO 85/0122/5
"RESPONSE TO SUGGESTIONS
STIMULATED BY THE
DCI'S CREATIVE
PROBLEM SOLVING
MEMO "

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ROUTING AND TRANSMITTAL SLIP

Date

1/11/85

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ence Agency
Washington, D.C. 20505

7 January 1985

To: (Name, office symbol, room number,
building, Agency/Post)

Initials

1. D/LOGISTICS (Suggestions 1 and 4)

2. *Attache* D/TRAINING AND EDUCATION (Suggestion 2)

3. D/PERSONNEL (Suggestion 3)

4.

5.

Action	File	Note and Return
Approval	For Clearance	For Conversation
As Requested	For Correction	Prepare Reply
Circulate	For Your Information	See Me
Comment	Investigate	Signature
Coordination	Justify	

REMARKS

#1, 2, 3 - FOR ACTION ON APPROPRIATE SUGGESTIONS

(PLS PROVIDE RESPONSE TO THE EO/DDA RE EFFECTING
THE SUGGESTIONS NOTED IN EXDIR'S NOTE ATTACHED
SO THAT A CONSOLIDATED RESPONSE MAY BE PREPARED
FOR THE DDA'S SIGNATURE TO THE EXDIR.)

SUSPENSE: 25 JANUARY 1985

DO NOT use this form as a RECORD of approvals, concurrences, disposals,
and similar actions

(Post)

Room No.—Bldg.

EO/DDA 7D18 HQS

Phone No.

OPTIONAL FORM 41 (Rev. 7-76)
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FPMR (41 CFR) 101-11.206

* GPO : 1983 O - 381-529 (301)

Director

DD/A Registry

85-0122

NOTE FOR: DDA

Attached is a set of ideas
stimulated by the DCI's Creative
Problem Solving memo. Number 1
seems like a non-starter but I'd
like you to:

- Have OTE determine the facts
with regard to the cassette
recorder and take steps, as
suggested or other as
appropriate, if there is a
problem.
- Have the appropriate people
implement items 3 and 4.

DDA SUBJECT FILE COPY

*We're around the mail
with the individual in wheel.*

DCI
EXEC
REG

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Next 1 Page(s) In Document Denied

85-0722/4

ROUTING AND RECORD SHEET

SUBJECT: (Optional)

Suggestions Stimulated by the DCI's Creative Problem Solving Memo
Reference: Note to DDA from EXDIR dtd 7 January 1985

FROM:

Chief, Information and Management
Support Staff, OL

EXTENSION

NO.

OL 4018 85



DATE

TO: (Officer designation, room number, and building)

DATE

RECEIVED

FORWARDED

OFFICER'S INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

1. EO/DDA
7D18 Hqs

29-1

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3.

(Hold)

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10.

11.

12.

13.

14.

15.

SS (1224)

MEMORANDUM FOR: Executive Officer, Directorate of
Administration

FROM: Daniel C. King
Director of Logistics

SUBJECT: Suggestions Stimulated by the DCI's Creative
Problem Solving Memo

REFERENCE: Note to DDA from Executive Director dated
7 January 1985

1. With regard to your 15 January 1985 note and tasking in connection with the referent note, suggestions number 1 and number 4 on the attached list (Attachment A) were reviewed by the Printing and Photography Division, (P&PD), Office of Logistics.

2. Per your request, our assessments and comments concerning these two suggestions are submitted in Attachment B. If you require further discussion or clarification of these assessments, please call C/P&PD/OL on extension

STAT

STAT

Attachments:
A and B

STAT

cc:

OL 4018 85



ATTACHMENT
1

ATTACHMENT
25

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Next 1 Page(s) In Document Denied

95-0132/3

ROUTING AND RECORD SHEET

SUBJECT: (Optional)

FROM:

Robert W. Magee
Director of Personnel

EXTENSION

NO.

DATE

20

TO: (Officer designation, room number, and building)

DATE

RECEIVED

FORWARDED

OFFICER'S INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

1.

Executive Officer/DDA

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IMMEDIATE

Form 3-65 160c

(13)

35-0242

51-0222/3

MEMORANDUM FOR: Executive Officer/DDA

FROM: Robert W. Magee
Director of Personnel

SUBJECT: Response to Suggestion No. 3--Personnel Locator
Information--Stimulated by the Director's Creative
Solving Memorandum

1. In response to Suggestion No. 3, as noted above in Subject, the two-part Form 642, Central Emergency & Locator Record, could be modified to request a form with the added page being marked "parent office copy." It would necessitate the component locator desk recognizing that the employee-of-record is on rotational assignment and forwarding the "parent office copy" to the employee's home office. Rotational assignments represent less than 8% of an average operating office's staffing complement--thus, the cost of using a three-part versus two-part form to accommodate a relatively small percentage of personnel could prove costly. There is no practical way for the Office of Data Processing, which prints the form on specialized printers, to use a combination of two and three part forms, depending on the status of the individual, without exceptional production costs.

2. As a less costly alternative, it is recommended that Report R417001B, CEMLOC Master Record Listing - Alpha by Office, be modified to show not only the personnel assigned to an office-of-record but also the designated careerists for that office (e.g., Office of Personnel assignees and all MP careerists). The modified Report R417001B, distributed monthly, would provide offices with a comprehensive record of all their careerists, regardless of their assignment status. If the alternative is deemed satisfactory, this report modification can be accomplished in a short period of time.

STAT

Robert W. Magee

ER 85-158

Central Intelligence Agency
Washington, D.C. 20505

7 January 1985

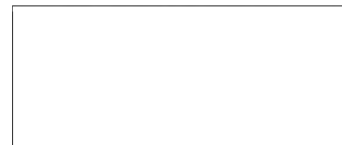
Executive Director

DD/A Registry
85-0123

NOTE FOR: DDA

Attached is a set of ideas stimulated by the DCI's Creative Problem Solving memo. Number 1 seems like a non-starter but I'd like you to:

- Have OTE determine the facts with regard to the cassette recorder and take steps, as suggested or other as appropriate, if there is a problem.
- Have the appropriate people implement items 3 and 4.



Went around the mail with the indel in wheel.



ROUTING AND TRANSMITTAL SLIP		Date
		1/11/85
TO: (Name, office symbol, room number, building, Agency/Post)	Initials	Date
1. D/LOGISTICS (Suggestions 1 and 4)		
2. D/TRAINING AND EDUCATION (Suggestion 2)		
3. D/PERSONNEL (Suggestion 3)		
4.		
5. <i>PAGE</i> 15 JAN 1985		
Action	File	Note and Return
Approval	For Clearance	Per Conversation
As Requested	For Correction	Prepare Reply
Circulate	For Your Information	See Me
Comment	Investigate	Signature
Coordination	Justify	

REMARKS

#1, 2, 3 - FOR ACTION ON APPROPRIATE SUGGESTIONS

(PLS PROVIDE RESPONSE TO THE EO/DDA RE EFFECTING THE SUGGESTIONS NOTED IN EXDIR'S NOTE ATTACHED SO THAT A CONSOLIDATED RESPONSE MAY BE PREPARED FOR THE DDA'S SIGNATURE TO THE EXDIR.)

SUSPENSE: 25 JANUARY 1985

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85-0122/2

ROUTING AND RECORD SHEET

SUBJECT: (Optional)

Response to Suggestion No. 2 of the DCI's Creative Problem Solving Memo

STAT
STAT
STAT

FROM:

EXTENSION

NO.

Director of Training and Education
1026 C of C

DATE

TO: (Officer designation, room number, and building)

DATE

RECEIVED

FORWARDED

OFFICER'S
INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

1. DDA/EXO
7D24 Hqs.

25-1

EOM

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(Held)

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11.

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13.

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Attached are comments
re Item 2 of DDA 85-0122
dated 7 January 1985.

EO/DDA SUSPENSE: 25 January

SS 0122/2

RESPONSE TO SUGGESTION NO. 2 OF THE DCI'S CREATIVE PROBLEM
SOLVING MEMORANDUM

The Office of Training and Education has instituted measures that have essentially corrected the problems associated with the loan and return of cassette tape recorders.

During 1983, OTE experienced several problems surrounding the loan and prompt return of the recorders loaned to Agency employees for foreign language study. Many of the students were suddenly withdrawn from the training and it took an abnormally long time before most of the recorders were returned. At that time, OTE instituted new policies, with more simplified procedures, which have proved to be quite successful.

Even though a few recorders were on loan longer than expected in 1984, the inventory conducted in late 1984 accounted for every tape recorder.

OTE believes that the controls now in use are adequate to meet the accountability needs of the Agency and at the same time satisfy the long term needs for recorders by certain Agency personnel in long term language training programs.

Page Denied

Audio Cassette Recorders

This problem of unaccounted audio cassette recorders has been corrected by using the following rules:

- 1 - Badge # and home office telephone # are taken of student requesting the recorder.
- 2 - A new card system is being used and one person is in charge of passing out recorders and accepting them back.
- 3 - An overall check is made periodically of recorders that are out on loan.
- 4 - It is now explained in very firm language that the recorders are only on loan while studying the language. Sign out sheets are now required by the Language school.
- 5 - Some of those recorders had to be replaced in the past few years because many have been broken and cannot be repaired.
- 6 - There has also been an increase in the number of Language students and additional recorders had to be purchased.

Central Intelligence Agency
Washington, D.C. 20505

7 January 1985

Executive Director

NOTE FOR: DDA

Please pass the attached
contribution to the Creative Problem
Solving Campaign to the May Panel for
their consideration.

STAT



ER 85-009/1

85-0122/1

MINISTRY

20-1

DCI
EXEC
REG

EXECUTIVE SECRETARIAT
ROUTING SLIP

TO:

		ACTION	INFO	DATE	INITIAL
1	DCI				
2	DDCI				
3	EXDIR	X			
4	D/ICS				
5	DDI				
6	DDA				
7	DDO				
8	DDS&T				
9	Chm/NIC				
10	GC				
11	IG				
12	Compt				
13	D/Pers				
14	D/OLL				
15	D/PAO				
16	SA/IA				
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SUSPENSE

Date

Remarks

STAT

4 Jan 85

Date

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Central Intelligence Agency
C.I. 20505

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1. D/LOGISTICS (Suggestions 1 and 4)		
2. D/TRAINING AND EDUCATION (Suggestion 2)		
3. D/PERSONNEL (Suggestion 3)		
4.		
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7 January 1985

Executive Director

DD/3 Registry
85-0123

NOTE FOR: DDA

Action	File	Note and Return
Approval	For Clearance	Per Conversation
As Requested	For Correction	Prepare Reply
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Comment	Investigate	Signature
Coordination	Justify	

REMARKS

#1, 2, 3 - FOR ACTION ON APPROPRIATE SUGGESTIONS

(PLS PROVIDE RESPONSE TO THE EO/DDA RE EFFECTING THE SUGGESTIONS NOTED IN EXDIR'S NOTE ATTACHED SO THAT A CONSOLIDATED RESPONSE MAY BE PREPARED FOR THE DDA'S SIGNATURE TO THE EXDIR.)

SUSPENSE: 25 JANUARY 1985

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DDA SUBJECT FILE COPY

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STAT		Phone No.

☆ GPO : 1983 O - 381-529 (301)

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DCI
EXEC
REG

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ROUTING AND TRANSMITTAL SLIP

Date

11 JAN 1985

TO: (Name, office symbol, room number, building, Agency/Post)

Initials

Date

1. ADDA

14 JAN 1985

2. DDA

14 JAN 1985

3. *ED* has work up 1/14/85

4.

(Copy & Distribute) done 1/14/85

Approval	File	Note and Return
As Requested	For Clearance	Per Conversation
Circulate	For Correction	Prepare Reply
Comment	<input checked="" type="checkbox"/> For Your Information	See Me
Coordination	Investigate	Signature
	Justify	

REMARKS

*I sure don't know
how OTE can implement
#1 ??*

DO NOT use this form as

is, concurrences, disposals,

to similar actions

Post)

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Phone No.

DDA 7D18 HQS

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